



*Review*

April 30, 2015

Dr. David T. Harrison, President  
Columbus State Community College  
550 E. Spring Street  
Columbus, OH 43215-1786

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RE: **Expedited Final Program Review Determination Letter**  
OPE ID: 006867 00  
PRCN: 201330528312

Dear Dr. Harrison:

From June 24, 2013 through June 28, 2013, Sheri Wild and Herschel Wallace conducted a review of Columbus State Community College's (CSCC's) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to determine CSCC's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of CSCC's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2011-12 and 2012-13 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and partial social security numbers of the students whose files were examined during the program review.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. Appendix A was encrypted and sent separately to the institution via e-mail.

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning CSCC's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve CSCC of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

The Chicago/Denver School Participation Division has made a Final Program Review Determination concerning the findings that were identified during the program review. Following is a discussion of the findings identified and the resolution of those findings.

### **Program Findings and Final Program Review Determinations:**

#### **Finding #1: Return of Title IV Funds Made Late**

**Citation:** The Student Assistance General Provisions regulations require that if a Title IV recipient withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV assistance the student earned as of the student's withdrawal date. The institution must also return the amount of the refund allocated to the Title IV programs to the appropriate program accounts within 45 days of the date that the student officially withdrew, was expelled or the institution determined that the student had unofficially withdrawn, or failed to return from a leave of absence. [34 C.F.R. § 668.22(e)]

**Noncompliance:** Students #1 and #4 dropped all of their courses partway through a term using the online registration system. The students should have been identified as official withdrawals and the date they dropped all courses should have been used in the R2T4 calculation. Instead, they were treated as unofficial withdrawals at end of term and the required returns of funds were made beyond the regulatory deadline.

**Institutional Action Taken to Resolve Noncompliance:** CSCC returned all required funds for both students cited. CSCC remains liable to the Department for the Cost of Funds interest on the amounts improperly retained. As the amount of this liability would be de minimus if quantified, no demand for repayment is made at this time.

**Final Program Review Determination:** CSCC has taken the corrective actions necessary to resolve this finding. CSCC may consider this finding closed, with no further action required.

#### **Finding #2: Enrollment Status Not Verified Before Disbursement**

**Citation:** The Student Assistance General Provisions regulations define an eligible student as one who is a regular student enrolled, or accepted for enrollment, in an eligible program at an eligible institution. [34 C.F.R. § 668.32] A regular student is defined as one who is enrolled, or accepted for enrollment, at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution. [34 C.F.R. § 600.3] If a

student is enrolled in courses that do not count toward his/her degree, they cannot be used to determine enrollment status unless they are eligible remedial courses. Therefore, Title IV aid cannot be awarded for classes that do not count toward the student's degree or certificate.

[Federal Student Financial Aid Handbook, Volume 1, Chapter 1, Page 1-14]

**Noncompliance:** Student #11 was enrolled in the Associate of Applied Science Law Enforcement program. The student was enrolled half-time in digital photography and real estate investing courses which did not appear on his academic transcript as they were not acceptable toward his degree. The student received disbursements of \$925 in Federal Pell Grant and \$1,375 in Federal Direct Loan funds for which he was not eligible.

**Institutional Action Taken to Resolve Noncompliance:** CSCCC returned all ineligible Pell and Direct Loan funds on 6/27/13 while the reviewers were on site. CSCC remains liable for the Cost of Funds interest on the amounts improperly retained. As the amount of this liability would be de minimus if quantified, no demand for repayment is made at this time.

**Final Program Review Determination:** CSCC has taken the corrective actions necessary to resolve this finding. Therefore, CSCC may consider this finding closed, with no further action required.

### **Finding #3: Incorrect Calculation of Cost of Attendance**

**Citation:** Section 472 of the Higher Education Act of 1965, as amended, provides that, for less-than-half-time students, the cost of attendance must be adjusted to include only tuition and fees, and allowances for books and supplies, transportation (but not miscellaneous personal expenses), and dependent care expenses. [HEA § 479 (4)]

**Noncompliance:** CSCC failed to adjust the Cost of Attendance components for students who were enrolled less than half-time, resulting in potential overawards. Student #1 was enrolled less than half-time in the Spring 2012 quarter and her Cost of Attendance was not adjusted. However, any overaward that might have occurred resulted in no overpayment because Direct Loan funds were never disbursed and \$537.88 in Pell was returned when she dropped from the previous term. In all, the student received \$1,313 in Pell for the award year.

Student #9 was enrolled less than half-time in the Spring and Summer 2012 quarters and the Cost of Attendance was not adjusted. Disbursements of Title IV funds occurred after the student's enrollment status was confirmed, however no overpayment occurred as the student received just \$900 in subsidized and \$1,200 in unsubsidized Direct Loan funds and \$925 in Pell in the award year.

**Institutional Action Taken to Resolve Noncompliance:** No overpayments of Title IV funds occurred in the cases of the students cited. CSCC was required to modify its Cost of Attendance budgets for less than half-time students to include only the allowable components.



**Final Program Review Determination:** CSCC has taken the corrective actions necessary to resolve this finding. Therefore, CSCC may consider this finding closed, with no further action required.

**Finding #4: Verification Violations – Selective Service Comment Code Not Resolved**

**Citation:** The Student Assistance General Provisions regulations provide that to be eligible to receive Title IV, HEA program funds, a male student who is subject to registration with the Selective Service must register with the Selective Service, unless the student meets certain registration exemptions described in the regulations. When a male student's FAFSA is processed, a data match is performed to confirm whether the student has registered with the Selective Service. If this data match does not confirm the student's registration, the student can establish that he is registered, is not or was not required to be registered, or has registered since submission of the FAFSA. A student who was required to, but did not, register with the Selective Service is ineligible to receive Title IV, HEA assistance unless he can demonstrate by submitting clear and unambiguous evidence to the institution that he was unable to register for reasons beyond his control; or he is over 26 and did not knowingly and willfully fail to register when he was between the ages of 18 and 26; or he served on active duty in the U.S. Armed Forces. An institution may consider that a student did not knowingly and willfully fail to register only if the student submits an advisory opinion from the Selective Service System that does not dispute the student's claim that he did not knowingly and willfully fail to register; and the institution does not have uncontroverted evidence that the student knowingly and willfully failed to register. [34 C.F.R. § 668.37]

Unless it can be documented that a student who fails the data match was exempt from registration or served on active duty in the armed forces, he must obtain a status information letter from the Selective Service addressing his failure to register. If a student receives any type of letter from the Selective Service other than a general exemption letter (codes E1-E8) or a "DOB before 1960" letter (code NR), the institution must determine based on all relevant evidence whether the student had knowingly and willfully failed to register. The 2012-13 FSA Handbook emphasizes that the type of status letter received should be given considerable weight in an institution's evaluation: "For example, if the student received a letter indicating a compliance letter had been sent (code RL), this would be a negative factor when you make the determination." In making its determination, the institution should consider factors such as where the student lived, whether he claims he thought he was registered, and why he was not aware of the widely publicized requirement to register. [Federal Student Aid Handbook, 2012-13, Vol. 1, Chapter 5, pp. 63-65]

**Noncompliance:** CSCC failed to document that it had properly resolved a Selective Service Registration ISIR comment code for Students #3 and #30. Notes in the institution's data system indicated that the students had been informed of the need to provide documentation concerning their failure to register with Selective Service, and that documentation had been received.

However, the nature of the documentation and how it satisfied the requirement was not described, nor could the documentation be located in the students' electronic files.

**Institutional Action Taken to Resolve Noncompliance:** CSCC was able to obtain documentation for Student #30 confirming he was a noncitizen who first entered the United States after the age of 26. For Student #3, although the student's statement explaining his situation could not be located, documentation indicating that he had been incarcerated during the period when he was required to register was obtained. Although the students' status letters could not be located, the information provided established that both students met exceptions to the Selective Service registration requirement provided for in the regulations.

**Final Program Review Determination:** CSCC has taken the corrective actions necessary to resolve this finding. Therefore, CSCC may consider this finding closed, with no further action required.

#### **Finding #5: Exit Counseling Not Documented**

**Citation:** Institutions are required to conduct exit counseling with each Federal Direct Loan borrower shortly before the borrower ceases at least half-time study at the institution. Exit counseling must be conducted either in person, by audiovisual presentation, or by interactive electronic means. The school must ensure that an individual with expertise in the Title IV programs is reasonably available shortly after the counseling to answer the student borrower's questions. If the borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the borrower has withdrawn or failed to complete the exit counseling as required.

The counseling must inform the student borrower of the average anticipated monthly repayment amount based on the student borrower's indebtedness or on the average indebtedness of student borrowers who have obtained Federal Direct Loans for attendance at CSHD or in the same programs at CSHD. The counseling must review for the student borrower available repayment options, including standard, graduated, extended, and income-sensitive repayment plans and loan consolidation. The seriousness and obligation of the student's repayment obligation must be emphasized, and likely consequences of default, including adverse credit reports, federal offset and litigation must be described. The counseling must suggest debt management strategies that would facilitate repayment. The conditions under which the borrower may defer or forbear repayment, or obtain a full or partial discharge of a loan must be reviewed. The student must be informed of the availability of Title IV loan information in the National Student Loan Data System (NSLDS) and how NSLDS can be used to obtain title IV loan status information.

If exit counseling is conducted through interactive electronic means, a school must take reasonable steps to ensure that each student borrower receives the counseling materials, and participates in and completes the exit counseling. The school must maintain documentation

substantiating the school's compliance with exit counseling requirements for each student borrower. [34 C.F.R. § 685.304(b)]

**Noncompliance:** For 8 students in the review sample, there was no indication in the student files that loan exit counseling had been completed or that the student had been notified of the requirement to complete loan exit counseling. CSCC officials were certain that documentation existed to confirm that either counseling or notification of the counseling requirement had been completed, but could not provide the documentation while the reviewers were on site.

**Institutional Action Taken to Resolve Noncompliance:** CSCC was able to locate and print the required documentation after the program review for the 8 students cited. The institution was reminded that it must ensure either that each Federal Direct Loan recipient has completed exit counseling or that the student has been properly notified of the requirement to do so, and be prepared to document that such is the case.

**Final Program Review Determination:** CSCC has taken the corrective actions necessary to resolve this finding. Therefore, CSCC may consider this finding closed, with no further action required.

## **DISCUSSION:**

The following are recommendation(s) based upon observations made by the review team during the program review. CSCC is not required to provide a response to, nor is CSCC required to act upon, these recommendations. However, the review team believes that adoption of these recommendations will assist the institution in its administration of Title IV, HEA program funds.

The reviewers observed a very large Direct Loan positive funding balance that had accumulated over more than two years and was available in the G5 system for CSCC to access without substantiation by disbursement records. An excess authorization of more than \$120 million persisted in G5 from February 2011 to the date of the review, increasing over time. It was of considerable concern to the reviewers that such a large available balance had existed for over two years. Because the amount involved represented approximately double the funds expended and substantiated by COD records submitted by CSCC for the 2011-12 award year, it appeared as though duplicate disbursement records or some other type of systemic errors might have been responsible for the existence of the excess authorization. Absent batch errors or other indications of a records problem, CSCC officials did not really attempt to discover the reason for this large Direct Loan authorization.

Further research was conducted following the on-site review in an effort to determine the reasons for the excessive Direct Loan authorization and action might be required to resolve it. Schools participating in the Direct Loan program receive an initial authorization amount to which they have access without corresponding COD records to substantiate drawdowns. This authorization is generally based on prior year funds used and/or current year anticipated loan volumes as recorded in COD. Because CSCC had changed its academic structure in 2010-11 from semesters

to quarters and the treatment of the summer term (header vs. trailer) was changed, Direct Loan volume was somewhat inflated in 2010-11 and fluctuated to an unusual degree between 2010-11 and 2011-12. The initial 2011-12 funding authorization was based on the unusually elevated prior year funding level, and continued to increase despite the fact that CSCC made no effort to draw down the excess funds.

The reviewers discussed the issues arising from this unusual funding authorization situation with personnel from the Department's Business Operations and Internal Controls Division. Although no specific action was required on the part of CSCC, institutional officials could have acted to ensure Title IV program integrity by contacting the Federal Direct Loan reconciliations staff to make it known that CSCC had no need for and would not use this balance.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Sheri Wild at (312) 730-1539.

Sincerely,



For Douglas Parrott  
Division Director

Enclosure: Appendix A, Student Sample - **REDACTED**

cc: Mr. David Metz, Director of Financial Aid

Accrediting Council for Independent Colleges & Schools  
North Central Association of Colleges & Schools – Higher Learning Commission  
Ohio Board of Regents  
Department of Defense  
Department of Veterans Affairs  
Consumer Financial Protection Bureau

**Appendix A: Student Sample – REDACTED**